

**UNANIMOUS WRITTEN CONSENT  
OF THE BOARD OF DIRECTORS  
OF FERRELL HOSPITAL COMMUNITY FOUNDATION**

The undersigned, being all of the members of the Board of Directors (the "Board") of Ferrell Hospital Community Foundation, an Illinois not-for-profit corporation (the "Corporation"), do hereby consent to and adopt the following resolutions as the resolutions of the Board of the Corporation, and waive notice and the holding of any meetings, it being intended that this Unanimous Written Consent shall have the same force and effect as the unanimous vote of all of the members of the Board at a meeting duly called and held at which a quorum was present and acting unanimously in accordance herewith throughout. The Board of the Corporation hereby directs that this Unanimous Written Consent be filed with the permanent records of the Corporation as the duly authorized act of the Board of the Corporation:

**WHEREAS**, at a meeting duly called and held on December 16, 2015, the Board authorized and approved in concept amendments to the governing documents of the Corporation, including Amended and Restated Articles of Incorporation of the Corporation (the "Amended and Restated Articles") and Amended and Restated Bylaws of the Corporation (the "Amended and Restated Bylaws");

**WHEREAS**, the Amended and Restated Articles and the Amended and Restated Bylaws required some minor corrections after the December 16, 2015 meeting;

**WHEREAS**, the Amended and Restated Articles were not filed with the Illinois Secretary of State until February 25, 2016 (the "Effective Date");

**WHEREAS**, the Board believes that it is in the best interests of the Corporation to ratify and approve the final versions of the Amended and Restated Articles and the Amended and Restated Bylaws, to take effect as of the Effective Date;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board hereby adopts, ratifies and approves the Amended and Restated Articles in the form attached hereto as Exhibit A;

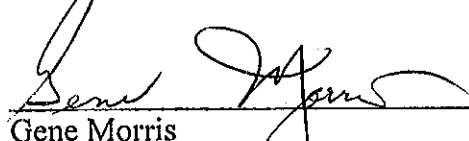
**RESOLVED FURTHER**, that the Board hereby adopts, ratifies and approves the Amended and Restated Bylaws in the form attached hereto as Exhibit B; and

**RESOLVED FURTHER**, members of the Board and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to give effect to and comply with the terms and intent of this Unanimous Written Consent. Such actions heretofore taken by such Board members and their authorized designees are hereby ratified, confirmed and approved.

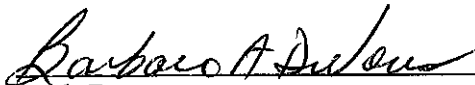
**RESOLVED FURTHER**, that this Unanimous Written Consent may be executed in any number of counterparts, including facsimile counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which, when taken together, shall constitute but one and the same instrument.

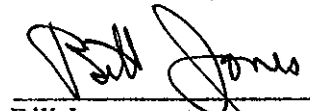
IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent as of the 30<sup>th</sup> day of March, 2016.

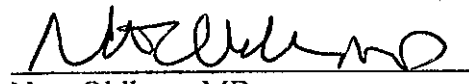
**BOARD OF DIRECTORS:**

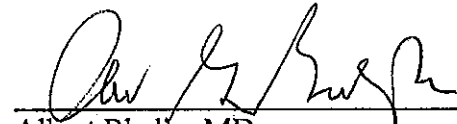
  
Gene Morris

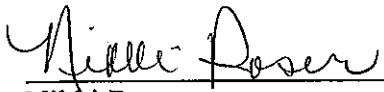
  
ET Seely

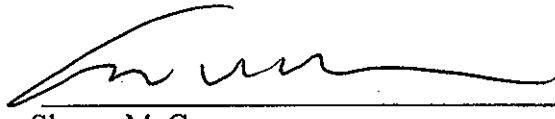
  
Barb Devous

  
Bill Jones

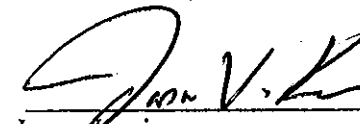
  
Nate Oldham, MD

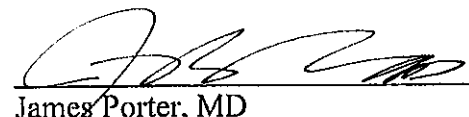
  
Albert Bledig, MD

  
Nikki Roser

  
Shawn McCoy

~~Jared Florence~~

  
Jason Kaslar

  
James Porter, MD

Being all the Directors of the Corporation

**Exhibit A**

**Amended and Restated Articles of Incorporation**

(See attached)

NFP 110.30-R

**FILED**

FEB 25 2016

JESSE WHITE  
SECRETARY OF STATE

FILE# N 6343-405-1

FILING FEE: \$100.00

APPROVED: RD

**AMENDMENT AND RESTATEMENT  
OF THE ARTICLES OF INCORPORATION  
OF FERRELL HOSPITAL COMMUNITY FOUNDATION,  
AN ILLINOIS GENERAL NOT-FOR-PROFIT CORPORATION**

File No: 6343-405-1

1. Corporate Name: **Ferrell Hospital Community Foundation** incorporated on March 31, 2004 under the name Ferrell Hospital Community Foundation.
2. The following Amendment of the Articles of Incorporation was adopted on December 16, 2015, by written consent, signed by all of the Directors in office, in compliance with Section 110.15 and 108.45.

3. The name and address of the Registered Agent and Registered Office of the Corporation are as follows:

Registered Agent: Joseph Swab

Registered Office: 1201 Pine Street  
Eldorado, IL 62930, Saline County, Illinois.

4. The Board of Directors shall be ten (10) in number, two (2) of whom shall be appointed by Deaconess Regional Health Care Network Illinois, LLC (the "Deaconess Directors") and the other eight (8) of whom shall be community members of the service area of Ferrell Hospital, including Saline County, Illinois (the "Ferrell Directors"). The eight (8) Directors who are the Ferrell Directors shall be elected by the Ferrell Directors who are then in office and whose terms are not expiring in the respective year. Each Director shall be elected to hold office until his or her successor is elected and qualified or until his or her removal or resignation occurs as provided in the Amended and Restated Bylaws of the Corporation effective as of January 1, 2016, and as amended in the future. Any vacancy resulting from the resignation or removal of a Ferrell Director shall be filled by the affirmative vote of a majority of the then remaining Ferrell Directors. Any vacancy resulting from the resignation or removal of a Deaconess Director shall be filled by Deaconess Regional Health Care Network Illinois, LLC. After the date of this Amendment and Restatement, the Articles of Incorporation may be altered, amended or repealed only upon the written consent of a majority of all serving Directors of the Corporation, including at least one (1) Deaconess Director (for so long as Deaconess Regional Health Care Network Illinois, LLC has not withdrawn from participation on the Board of Directors of the Corporation).

5.

5.1. The Corporation is organized to own and operate a hospital facility and related clinics, including Rural Health Clinics, and to employ physicians and other persons to provide quality hospital and clinical medical services and other health care services to all persons needing such services in Saline County, Illinois and its surrounding areas,

including providing services free or at a reduced fee to those persons otherwise financially unable to obtain such services.

5.2. ~~The Corporation is organized and at all times shall be (i) operated exclusively for~~ charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). All references to the Code herein shall also include the corresponding provisions of any future United States Internal Revenue Law and the regulations promulgated thereunder, including, for such purposes, the making of distributions to organizations that also qualify as exempt organizations within Code Section 501(c)(3), and (ii) tax exempt under Code Section 501(c)(3).

5.3. The Corporation may exercise in any, all and every lawful power of a corporation organized under the Illinois General Not-for-Profit Corporation Act. Nothing herein shall be construed to give the Corporation any purpose that is not permitted under Code Section 501(c)(3).

6.

6.1. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, any of its Directors, Officers or other private individuals; provided, however, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, to pay fair market value for property purchased by the Corporation, and to pay fair rental value for the use of property. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. The Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Code Section 501(c)(3) or (b) by a corporation, contributions to which are deductible under Code Section 170(e)(2).

6.2. Upon dissolution of the Corporation, the Board of Directors of the Corporation shall, after paying or making provisions for the payment of all liabilities of the Corporation, distribute all of the assets of the Corporation to such organization or organizations organized and operated exclusively for charitable, religious, scientific or educational purposes as shall at that time qualify as an exempt organization or organizations under Code Section 501(c)(3), as the Board of Directors of the Corporation shall determine. Any such assets not so disposed of shall be distributed by a court of competent jurisdiction of Saline County, Illinois, exclusively for such purposes, or to such organization or organizations as such court shall determine which are organized and operated exclusively for such purposes.

6.3. The Corporation shall not have members.

6.4. To the extent not inconsistent with the provisions of these Amended and Restated Articles and Illinois law, the actions and activities of the Corporation shall be governed by its Amended and Restated Bylaws, which are effective as of January 1, 2016.

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7. The undersigned Corporation has caused these Articles to be amended and restated and to be signed by a duly authorized officer who certifies under penalties of perjury, that the facts stated herein are true.

Dated: December 17, 2015.

FERRELL HOSPITAL COMMUNITY FOUNDATION

By: Alisa Coleman  
Alisa Coleman, President/CEO

Is this corporation a Condominium Association as established under the Condominium Property Act?

Yes \_\_\_\_\_ No X (Check one)

Is this corporation a Cooperative Housing Corporation as defined in Section 216 of the Internal Revenue Code of 1954?

Yes \_\_\_\_\_ No X (Check one)

Is this corporation a Homeowner's Association which administers a common-interest community as defined in subsection (c) of Section 9-102 of the Code of Civil Procedure?

Yes \_\_\_\_\_ No X (Check one)

**Exhibit B**

**Amended and Restated Bylaws**

(See attached)



**AMENDED AND RESTATED BYLAWS**  
**OF**  
**FERRELL HOSPITAL COMMUNITY**  
**FOUNDATION**

**Effective as of January 1, 2016**

**AMENDED AND RESTATED BYLAWS  
OF  
FERRELL HOSPITAL COMMUNITY FOUNDATION**

**ARTICLE I  
PURPOSES AND RESTRICTIONS**

**Section 1. Name.** The name of the corporation shall be Ferrell Hospital Community Foundation (hereafter referred to as the "***Corporation***"), a not for profit corporation organized under the laws of the State of Illinois.

**Section 2. Purpose.** The purpose of the Corporation shall be those not-for-profit purposes stated in the Articles of Incorporation, as the same may be amended from time to time.

**Section 3. Share Restrictions.** The Corporation shall not have or issue shares.

**ARTICLE II  
OFFICES**

**Section 1. Principal Office.** The principal office of the Corporation in the State of Illinois shall be located in Eldorado, Illinois, or as otherwise determined by the Board of Directors ("***Board***") from time to time. The Corporation may have such other offices within or outside Illinois as may be required.

**Section 2. Registered Office.** The registered office of the Corporation required under the laws of the State of Illinois to be maintained in the State of Illinois may be, but need not be, identical with the principal office in the State of Illinois, and the address of the registered office may be changed from time to time in conformity with the laws of the State of Illinois.

**ARTICLE III  
BOARD OF DIRECTORS**

**Section 1. General Powers.** Except to the extent responsibilities are delegated by the Board to Deaconess Regional Healthcare Services Illinois, Inc., an Illinois not for profit corporation ("***DRHSP***"), pursuant to a Management Services Agreement between the Corporation and DRHSI (the "***Management Agreement***"), or to other individuals or entities working on behalf of the Corporation, the affairs of the Corporation are to be managed by its Board. The Board is to (a) determine the activities which the Corporation is to conduct from time to time, (b) determine the fund-raising activities which the Corporation will undertake from time to time, (c) determine the services to be offered by the Corporation, (d) review and approve all fiscal matters of the Corporation, including, but not limited to, expenditures of the Corporation's funds, fund-raising activities, the lease, sale or purchase of real property and expenditures for capital improvements, (e) determine and control policies concerning the operation of the Corporation, and (f) perform such other matters and conduct such other activities as are routinely delegated to the board of directors of not-for-profit corporations in the State of

Illinois. Notwithstanding the above, the Board may not cause the Corporation to do anything in violation of its Articles of Incorporation.

**Section 2. Number and Tenure; Board Officers.**

(a) The number of directors to constitute the Board is ten (10) directors, two (2) of whom (the “**Deaconess Directors**”) will be appointed by Deaconess Regional Healthcare Network Illinois, LLC (“**Deaconess Illinois**”), and the other eight (8) of whom will be community members who are not Deaconess Directors (the “**Ferrell Directors**”) and together with the Deaconess Directors, the “**Directors**”) who will be elected by those Ferrell Directors then in office whose terms are not expiring. Each Director elected is to hold office until his or her successor is elected and qualified or until his or her removal or resignation as set forth herein.

(b) Deaconess Directors shall be appointed for a term of one (1) year with no limit on the number of terms. Ferrell Directors shall be elected for three (3) year terms, except that the Ferrell Directors voting to fill a vacant position may, by majority vote, elect a Ferrell Director for a shorter term in order to ensure that the terms of all of the Ferrell Directors are staggered such that approximately one-third (1/3) of the Ferrell Directors are up for election each year. Directors may serve successive terms.

(c) At the annual meeting of the Board, the Board shall elect from among themselves a Chair of the Board, who shall preside at all meetings and a Vice-Chair, who shall preside in the absence of the Chair of the Board.

**Section 3. Vacancies.** Any vacancy resulting from the resignation or removal of a Ferrell Director shall be filled by the affirmative vote of a majority of the then remaining Ferrell Directors. Any vacancy resulting from the resignation or removal of a Deaconess Director shall be filled by Deaconess Illinois. A Director who is elected or appointed to fill a vacancy will serve for the unexpired term of his or her predecessor in office until a successor is elected or appointed, as applicable.

**Section 4. Removal and Resignation.**

(a) Any one (1) or more of the Directors of the Corporation may be removed, with or without cause, upon written notice to such Director(s). Such removal is to be effected as follows: for Ferrell Directors, by a majority vote of the other Ferrell Directors, excluding the Ferrell Director(s) proposed to be removed; and for Deaconess Directors, by Deaconess Illinois. The Director to be removed, if he or she so requests, is to be given an opportunity to explain why he or she should not be removed as a Director.

(b) Any Director may resign as a Director at any time. Such resignation must be made in writing and takes effect at the time specified therein, or, if no time is specified therein, upon receipt of such notice of resignation by the Chair of the Board or the Secretary of the Corporation or by any Director. The acceptance of a resignation is not necessary to make it effective.

**Section 5. Right to Terminate and Withdraw.** Deaconess Illinois shall have the right to terminate its relationship with the Corporation and to withdraw from participation on the Corporation's Board, upon sixty (60) days' notice to the Corporation, in the event of (i) any breach of the terms set forth in that certain Contribution Agreement by and between Deaconess Illinois and the Corporation, or (ii) any termination of the Management Agreement for any reason.

**Section 6. Regular Meetings.** The regular annual meeting of the Board is to be held (without any notice other than these Bylaws) at the office of the Corporation (or at any place designated by resolution of the Board or by unanimous consent of the Directors) on the last Wednesday in June of each year. The Board may provide by resolution the time and place for the holding of additional regular meetings without notice other than such resolution.

Regular monthly meetings of the Board shall be held (without any notice other than these Bylaws) at the office of the Corporation (or at any place designated by a resolution of the Board or by unanimous consent of the Directors) on the last Wednesday of each month, provided however, the Board, in its discretion may by motion passed at a regular meeting elect to cancel not more than two (2) regular monthly meetings per year.

**Section 7. Special Meetings and Notice.** Special meetings of the Board may be called by or at the request of the Chair of the Board, the Secretary or any two Directors. Notice of any such meeting is to be given at least three (3) days prior, by written notice delivered or mailed to each Director at his or her home or business address. A Director may waive notice of any special meeting, and the attendance of a Director at any such meeting constitutes a waiver of notice of such meeting. Neither the business to be transacted nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting unless required by another section of these Bylaws. The Chair of the Board, the Secretary or two Directors calling the special meeting, whichever the case may be, may designate the place for holding such meeting.

**Section 8. Quorum and Action.** A minimum of six (6) Directors, including at least one (1) Deaconess Director, either being physically present or participating electronically (in person or in accordance with Section 12 of this Article III) constitutes a quorum for the purpose of any meeting. Each Director shall have one (1) vote on any matter brought before the Board. Except for matters requiring a Supermajority Vote, as described in Section 9 of this Article, the Board shall act by the affirmative vote of a majority of the Directors present at any meeting of the Board at which a quorum is present.

**Section 9. Actions Requiring a Supermajority Vote.** The vote of a majority of all serving Directors, including at least one (1) Deaconess Director (a "***Supermajority Vote***") shall be required for the following actions:

- (a) Approval of annual and long-term capital and operating budgets, strategic plans, and marketing plans;
- (b) Changes in the services to be offered by the Corporation which will impact revenue to the corporation by \$50,000 or more;

- (c) Managed care contracting strategy and implementation;
- (d) Incurrence of long-term debt;
- (e) Approval of any expenditure of \$50,000 or more, not included in an approved budget;
- (f) Adoption of fee schedules and entry into third-party payor contracting arrangements;
- (g) Any sale or other disposition of any assets of the Corporation valued in excess of \$50,000;
- (h) Any affiliation agreement or other agreement involving collaboration with another hospital or health system;
- (i) Any management contract, or other agreement affecting the operations of the Corporation involving expenditures in excess of \$50,000 (other than an agreement with DRHSI or a DRHSI affiliate); and
- (j) Any amendment of the Articles of Incorporation or the Bylaws of the Corporation.

**Section 10. Presumption of Assent.** A Director present at a Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent or abstention is entered in the minutes of the meeting, or unless such Director files a written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forwards such dissent or abstention by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a Director who voted in favor of such action.

**Section 11. Action Without a Meeting.** Any action which is required to be taken, or which may be taken, at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the actions so taken, is signed by all of the then Directors. Such consent has the same force and effect as the unanimous vote of the Board at a meeting duly called.

**Section 12. Telephone Conferences.** Members of the Board, or of any committee designated by the Board, may take any action permitted or authorized by these Bylaws pursuant to meeting by means of conference telephone, a computer or similar telecommunications equipment by means of which all persons participating in a meeting can communicate with each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

**Section 13. Mail Vote.** Any action which is required by law, the Articles of Incorporation or these Bylaws to be taken at a meeting of the Board, or any other action which may be taken at a meeting of the Board, may be taken by mail vote if the ballot, setting forth the

action taken, shall be approved by all of the Directors entitled to vote with respect to the subject matter thereof.

**Section 14. Electronic Mail.** Unless specifically prohibited by law, communication by electronic mail shall be considered equivalent to any communication otherwise required to be in writing, except a written consent authorized by Section 11 of this Article. The Corporation shall take such steps as it deems appropriate under the circumstances to assure itself that communications by electronic mail are authentic.

**Section 15. Compensation.** The Corporation shall not establish or pay compensation to any person for serving as a Director of the Corporation, but shall have the authority to pay reasonable compensation to the officers. The Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer in violation of the Articles of Incorporation, these Bylaws or applicable statutes. The Board may provide that Directors and officers be reimbursed for reasonable and actual expenses incurred while acting on behalf of the Corporation. In addition, the Corporation may advance money to a Director or officer for expenses reasonably anticipated to be incurred in the performance of his or her duties; provided, however, that the amount of the advance has been approved by the Board and that such expenses are subsequently accounted for by the individual. Nothing in this Section shall preclude payment of reasonable salaries or fees for professional services rendered to the Corporation.

**Section 16. Advisory Directors.** The Board may from time to time appoint one or more non-voting advisory directors who may attend Board meetings and, at the discretion of the Chair of the Board, participate in Board discussions. However, such advisory members shall not be deemed to be a member of the Board for any purposes under these Bylaws. Such advisory directors shall not be appointed for a definite term, but shall serve at the pleasure of the Board and may be removed at any time without cause.

**Section 17. Committees.** A majority of the Directors may, by resolution, create one or more committees and appoint Directors or such other persons as the Board designates, to serve on the committee or committees. Each committee shall have two or more Directors, a majority of its membership shall be Directors, and all committee members shall serve at the pleasure of the Board. Such committees will have such powers and authority as set forth in the resolutions authorizing such committees and in Section 108.40 of the Illinois General Not For Profit Corporation Act of 1986. Notwithstanding anything to the contrary in this Section 17, committees appointed by the Board relating to the election, nomination, qualification, or credentials of Directors or other committees involved in the process of electing Directors may be composed entirely of non-directors.

**Section 18. Advisory Committees.** The Board may establish committees from time to time to serve in an advisory capacity (an "**Advisory Committee**," or collectively, the "**Advisory Committees**"). Advisory Committee membership may be enjoyed by any person, whether or not such person is affiliated with the Corporation in any way, subject only to their being appointed to any such Advisory Committee by the Board.

Advisory Committees shall have no legal authority to act for the Corporation, but shall report their findings and recommendations to the Board.

**Section 19. Conflict of Interest Policy.**

**A. *Statement of General Policy.***

The Corporation recognizes that it is natural for both actual and ostensible conflicts of interest to sometimes occur in the course of conducting the daily affairs of the Corporation. A conflict of interest is defined as referring only to personal, proprietary interests of the persons covered by this policy and their immediate families as defined in Paragraph E, and not to philosophical or professional differences of opinion. Conflicts will occur because the many persons associated with the Corporation do in fact have multiple interests and affiliations and various positions of responsibility within the community.

**B. *Actual or Ostensible.***

Conflicts of interest may be actual or ostensible. A conflict of interest, whether actual or ostensible, may reflect adversely upon the persons involved and upon the institutions with which those persons are affiliated, regardless of the actual facts or motivations of the parties. Conflicts of interest that are actual may potentially place the interest of the individual(s) above that of the corporate obligations to its corporate purpose(s) and to the public interest. It is decidedly not in the long-range best interests of the Corporation to terminate or cease all association with persons who may have actual or ostensible conflicts of interests if there is a prescribed and effective method of rendering such conflicts, actual or ostensible, harmless to the Corporation, its corporate purposes, and the public interest.

**C. *Affirmative Policy.***

It shall be the affirmative policy of the Corporation not to prohibit conflicts of interest from occurring, but to require that they be disclosed fully when and as they are discovered or occur and to prohibit specified activities by such parties in the affairs of the Corporation. Such disclosure shall be made to the Chair of the Board and to the President/CEO (defined below) annually and at such other times as may be required as the actual or ostensible conflict arises, using such forms as may be prescribed by the Corporation.

**D. *Coverage of this Policy.***

This policy shall apply to all Directors, officers, agents, and employees of the Corporation, including independent contract providers of services and materials. It shall be the affirmative obligation of executive management of the Corporation to publicize this policy to all such parties on a recurring basis.

**E. *Disclosure of all Conflicts.***

All persons covered under this policy shall disclose all actual or ostensible conflicts of interest which they discover or have brought to their attention in connection with the Corporation's activities as soon as reasonably possible. "**Disclosure**" as used in these Bylaws shall mean providing to the appropriate person, Board or committee a description of the facts comprising the actual or ostensible conflict. In the case of conflicts involving officers and Board

members or their immediate families, which shall include spouse, ancestors, children, grandchildren, great-grandchildren, brothers and sisters and spouses of all of the above, the written notice of disclosure shall be filed with the Chair of the Board and the President/CEO. All other written notices of disclosure shall be filed with the Chair of the Board and the President/CEO of the Corporation or person designated by them from time to time to receive such notifications. All notices of conflict of interest received hereunder shall be noted for record in the minutes of a meeting of the Board and any appropriate committee thereof.

**F.     *Prescribed Activity by Persons Having Conflicts.***

Where a Director, officer, agent, employee or independent contractor believes that he or she or a member of his or her immediate family, as defined in paragraph E above, might have or does have an actual or ostensible conflict of interest, he or she shall, in addition to filing the notice of disclosure required under this provision, abstain from making motions, voting, executing agreements on behalf of the Corporation, or taking any other similar direct or indirect action on behalf of the Corporation where the conflict might pertain. At any time an item comes up for business before the Board in which a person or a member of that person's immediate family has a conflict, such person shall leave the room and not participate in discussion or voting. Where any person requests in writing, or upon its own initiative, the Board at any time in special cases may establish further guidelines for the resolution of any actual or ostensible conflicts of interest consistent with the interest of the Corporation.

**G.     *Procedure.***

Any Director or officer having an actual or ostensible conflict of interest on any matter shall not vote on that matter and shall not be counted in determining a quorum for the meeting. It is anticipated that the Director or officer having such actual or ostensible conflict of interest shall have an opportunity to explain the actual or ostensible conflict and then will leave the meeting; however, the Director or officer shall be available to answer any questions from other Board members, if any. The minutes of the meeting shall reflect any conflict disclosure that was made, any related abstentions from voting, and the quorum determination following such abstention(s).

The foregoing requirements shall neither be construed as preventing the Director or officer from revealing the conflict, from stating a position in the matter, nor from answering pertinent questions of other Board members.

This policy shall be reviewed annually for the information and guidance of Directors and officers, and any new Director or officer shall be advised of this policy before undertaking the duties of office.

If there are any questions concerning a particular situation or proposed transaction which may result in an actual or ostensible conflict of interest, the Director or officer shall contact the Chair of the Board and the President/CEO. If a conflict exists and is not resolved it shall be brought to the attention of the Board by any person having knowledge or information.

Copies of this policy statement shall be sent to each Director, officer and management person at least once per year, with the requirement that they complete a certificate which



) confirms that they understand this policy, agree to comply with it, indicate any known conflicts, and have no knowledge of any additional violation of this policy. In the case of an actual or ostensible conflict of interest situation, the Director, officer or management person and others affected by this policy shall complete a specific disclosure notice.

#### **H. *Special Note.***

Certain approval levels for financial transactions may be approved by the Board from time to time. Such resolution with delegation of authority to commit assets of the Corporation shall not supersede this conflict of interest policy and any business with Board members, even while under said limits, shall require full disclosure and approval by the Board prior to execution of any agreements, payments, etc.

### **ARTICLE IV OFFICERS AND DUTIES**

**Section 1. Number of Officers.** The officers of the Corporation are to be a President/CEO, Vice President, Secretary and Treasurer/Chief Financial Officer, and such other officers as the Board may hereafter authorize and elect. The officers have the authority to perform the duties as set forth herein and as prescribed, from time to time, by the Board. Any two or more offices may be held by the same person. The officers of the Corporation may, but need not be, Directors.

) **Section 2. Election and Term of Office.** The officers of the Corporation are to be elected by a majority of the Board at the annual meeting of the Board. Each officer is to hold office for a term of one (1) year or until a successor has been duly elected and qualified or until his or her removal or resignation as set forth herein.

#### **Section 3. Removal and Resignation of Officers and Agents.**

(a) Any one (1) or more of the officers of the Corporation may be removed, with or without cause, upon thirty (30) days' written notice from the Board to such officer. Such removal is to be effected by a majority vote (but excluding, if applicable, the Director proposed to be removed as an officer of the Corporation) of the Board at a special meeting of the Directors called for that purpose. The notice or waiver of notice of such special meeting must state the business to be transacted. The officer to be removed, if he or she so requests, is to be allowed to attend any such meeting and be given an opportunity to explain why he or she should not be removed as an officer. Any such removal is without prejudice to the contract rights, if any, of the person so removed.

(b) Any officer may resign as an officer at any time. Such resignation must be made in writing and takes effect at the time specified herein, or, if no time is specified herein, upon receipt of such notice of resignation by the Chair of the Board or the President/CEO of the Corporation. The acceptance of a resignation is not necessary to make it effective.

) **Section 4. Vacancies.** A vacancy in any office of the Corporation due to the death, resignation, removal, disqualification of an officer, or otherwise, may be filled by the Board at a

regular meeting of the Directors or at a special meeting called for that purpose. Any officer elected to fill such vacancy is to be elected for the unexpired term of his or her predecessor in office and is to serve until a successor has been duly elected and qualified or until his or her removal or resignation as set forth herein.

**Section 5. President and Chief Executive Officer.** The President and Chief Executive Officer (the “**President/CEO**”) shall be the chief executive officer of the Corporation and shall administer the day-to-day affairs and management of the corporation and shall carry out the purposes of the corporation. He or she may sign, with the Chair of the Board, the Secretary or any other proper officer of the Corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws or by statute to some other officer or agent of the Corporation. The President/CEO shall receive compensation and serve for the term as provided by contract approved by the Board.

**Section 6. Secretary.** The Secretary is to maintain the minutes of the meetings of the Board, be responsible for sending notices of the meetings, be the keeper of the corporate records, and certify the Bylaws, resolutions of the Board and committees thereof, and other documents of the Corporation as true and correct copies thereof.

**Section 7. Treasurer/Chief Financial Officer.** The Treasurer/Chief Financial Officer (“**CFO**”) shall be the chief financial officer of the Corporation. If required by the Board, the CFO shall give a bond for the faithful discharge of his or her duties in such form and with such surety or sureties as the Board shall determine. The CFO shall have charge and custody of all the funds of the Corporation and shall keep or cause to be kept, in books belonging to the Corporation, full and accurate amounts of all receipts and disbursements, and shall deposit all money and other valuable effects in the name of the Corporation in such depositories as may be designated for that purpose by the Board. The CFO shall disburse the funds of the Corporation as may be ordered by the Board or the President/CEO and, whenever requested by them, shall deliver to the Board and the President/CEO an account of all his or her transactions as CFO and of the financial condition of the Corporation. The CFO shall be responsible for the Corporation’s financial planning and forecasting and shall assist the President/CEO in the preparation of the Corporation’s annual budget. The CFO shall coordinate and oversee the Corporation’s funding, including any audits or other reviews of the Corporation or its supporting organizations. The CFO shall be responsible for all other matters relating to the financial operation of the Corporation. The CFO has the responsibility of keeping the Board informed of the Corporation’s financial status.

**Section 8. Attendance.** Board members are required to attend seventy-five percent (75%) of the meetings each year. Any member missing three (3) consecutive meetings will need to be reviewed for their continued service on the Board.

**Section 9. Salaries.** No salary or other compensation is to be paid to any officer of the Corporation unless approved by the Board. Any future members of administrative staff are entitled to such salaries as authorized by the Board.

## ARTICLE V

## CONTRACTS, LOANS AND GIFTS

**Section 1. Contracts and Other Documents.** The Board may, by resolution, authorize any officer or agent of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument or document in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

**Section 2. Loans.** No loans or other debts may be contracted on behalf of the Corporation and no evidence of indebtedness may be issued in its name unless authorized by resolution of the Board. Such authority may be general or confined to specific instances.

**Section 3. Gifts.** The Board or any officer delegated by the Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purpose or for any specific purpose of the Corporation.

## ARTICLE VI FINANCE

### **Section 1. Depository Accounts.**

(a) The funds of the Corporation are to be deposited by the officer of the Corporation designated by the Board to do so in the name of the Corporation in such bank or banks or other depository or depositories as the Board designates from time to time. Such funds may be withdrawn in accordance with the instructions of the Board.

(b) All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation are to be signed by such officer or officers, agent or agents of the Corporation and in such manner as from time to time is determined by resolution of the Board. In the absence of such determination, such instruments are to be signed by the President/CEO.

**Section 2. Fiscal Year.** The business affairs of the Corporation are to be operated on a fiscal year basis commencing April 1 and ending March 31.

## ARTICLE VII INDEMNIFICATION OF DIRECTORS AND OFFICERS

### **Section 1. Definitions.** As used in this Article:

(a) **Director** means any person who is or was a Director of the Corporation and any person who, while a Director of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise or employee benefit plan.

(b) **Corporation** includes any domestic or foreign predecessor entity of the Corporation in a merger, consolidation or other transaction in which the predecessor's existence ceased upon consummation of such transaction.

(c) **Expenses** include attorneys' fees.

(d) **Official capacity** means (i) when used with respect to a Director, the office of Director in the Corporation, and (ii) when used with respect to a person other than a Director, as contemplated in Section 6 of this Article, the elective or appointive office in the Corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Corporation, but in each case does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, other enterprise, or employee benefit plan.

(e) **Party** includes a person who was, is, or is threatened to be made, a named defendant or respondent in a proceeding.

(f) **Proceeding** means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

## **Section 2. Power and Scope of Indemnification.**

(a) The Corporation has the power to indemnify any person made a party to any proceeding (other than a proceeding by or in the right of the Corporation) by reason of the fact that he or she is or was a Director if: (i) such person conducted himself or herself in good faith; (ii) such person reasonably believed (A) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in the Corporation's best interests, and (B) in all other cases, that his or her conduct was at least not opposed to its best interests; and (iii) in the case of any criminal proceeding, such person had no reasonable cause to believe his conduct was unlawful.

(b) Indemnification may be made against judgments, penalties, fines, settlements and reasonable expenses actually incurred by the person in connection with the proceeding; except that if the proceeding was by or in the right of the Corporation, indemnification may be made only against such reasonable expenses and is not to be made in respect of any proceeding in which the person has been adjudged to be liable to the Corporation. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, is not, of itself, determinative that the person did not meet the requisite standard of conduct set forth in Section 2(a) of this Article.

(c) Unless limited by the Articles of Incorporation, (i) a Director who has been wholly successful, on the merits or otherwise, in the defense of any proceeding referred to in this Section 2, is to be indemnified against reasonable expenses incurred by him or her in connection with the proceeding; and (ii) a court of appropriate jurisdiction, upon application of a Director and such notice as the court requires, has authority to order indemnification in the following circumstances:

1) if it determines a Director is entitled to reimbursement for the reasons set forth in this Section, the court is to order indemnification, in which case the Director is also entitled to recover the expenses of securing such reimbursement; or

2) if it determines that the Director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he or she has met the standard of conduct set forth in this Section or has been adjudged liable in the circumstances described in Section 3 of this Article, the court may order such indemnification as the court deems proper, except that indemnification with respect to any proceeding by or in the right of the Corporation or in which liability has been adjudged in the circumstances described in Section 3 of this Article is to be limited to expenses.

(d) A court of appropriate jurisdiction may be the same court in which the proceeding involving the Director's liability took place.

### **Section 3. No Indemnification.**

(a) A Director may not be indemnified under Section 2 of this Article in respect of any proceeding (i) charging improper personal benefit to him or her, whether or not involving action in his or her official capacity, in which he or she has been adjudged to be liable on the basis that personal benefit was improperly received by him or her, or (ii) in which such person was adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

(b) No indemnification under Section 2 of this Article is to be made by the Corporation unless authorized in the specific case after a determination has been made that indemnification of the Director is permissible in the circumstances because he or she has met the standard of conduct set forth in such Section 2. Such determination is to be made: (i) by the Board by a majority vote of a quorum consisting of Directors not at the time parties to the proceeding; (ii) if such a quorum cannot be obtained, then by a majority vote of a committee of the Board, duly designated to act in the matter by a majority vote of the full Board (in which designation Directors who are parties may participate), consisting solely of two (2) or more Directors not at the time parties to the proceeding; or (iii) by special legal counsel, selected by the Board or a committee hereof by vote as set forth in clauses (i) or (ii) of this subsection, or, if the requisite quorum of the full Board cannot be obtained therefor and such committee cannot be established, by a majority vote of the full Board (in which selection Directors who are parties may participate).

(c) Authorization of indemnification and determination as to reasonableness of expenses is to be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses is to be made in a manner specified in clause (b)(iii) above for the selection of such counsel.

**Section 4. Reimbursement.** Reasonable expenses incurred by a Director who is a party to a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of such proceeding upon receipt by the Corporation of:

(a) a written affirmation by the Director of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the Corporation as authorized in this Article; and

(b) a written undertaking by or on behalf of the Director to repay such amount if it is ultimately determined that he or she has not met such standard of conduct, and after a determination that the facts then known to those making the determination would not preclude indemnification under this Article. The undertaking required by this clause is to be an unlimited general obligation of the Director but need not be secured and may be accepted without reference to financial ability to make repayment. Determinations and authorizations of payments under this Section 4 are to be made in the manner specified in Section 3 of this Article.

**Section 5. Validity.** No provision for the Corporation to indemnify or to advance expenses to a Director who is made party to a proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of Directors, an agreement or otherwise (except as contemplated by Section 7 of this Article) is valid unless consistent with this Article or, to the extent that indemnity hereunder is limited by the Articles of Incorporation, consistent herewith. Nothing contained in this Article limits the Corporation's power to pay or reimburse expenses incurred by a Director in connection with his or her appearance as a witness in a proceeding at a time when he or she has not been made a named defendant or respondent in the proceeding.

**Section 6. Indemnification of Officers, Employees or Agents.** Unless limited by the Articles of Incorporation:

(a) an officer of the Corporation is to be indemnified as and to the same extent provided in Section 2 of this Article for a Director and is entitled to the same extent as a Director to seek indemnification pursuant to the provisions of such Section 2;

(b) the Corporation has the power to indemnify and to advance expenses to an officer, employee or agent of the Corporation to the same extent that it may indemnify and advance expenses to Directors pursuant to this Article; and

(c) the Corporation, in addition, has the power to indemnify and to advance expenses to an officer, employee or agent who is not a Director to such further extent, consistent with law, as may be provided by the Articles of Incorporation, these Bylaws, general or specific action of the Board, or contract.

**Section 7. Insurance.** The Corporation has the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the corporation, or who, while a Director, officer, employee or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise or employee benefit plan, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Article.

## **ARTICLE VIII DISSOLUTION**

**Section 1. Voluntary Dissolution.** The dissolution of the Corporation may be authorized by a majority of the Directors provided that (a) no debts of the Corporation remain unpaid and (b) written notice of the election to dissolve the Corporation has been given to all Directors, not less than three (3) days before the execution of Articles of Dissolution.

**Section 2. Distribution of Assets.** In the event of dissolution or final liquidation, the remaining assets of the Corporation shall be applied and distributed in accordance with the Articles of Incorporation.

## **ARTICLE IX MEDICAL STAFF**

**Section 1. Responsibility for Care.** The Medical Staff is responsible to the Board for the quality of health care services rendered to all patients in all health care facilities operated by the Corporation (collectively, the "*Hospital*"). The Board shall assure that the Medical Staff is organized to provide quality care in accordance with standards acceptable to the Board and to licensure, certification, and accreditation bodies. This responsibility shall be governed through the establishment of Board approved Medical Staff Bylaws, and Rules and Regulations governing the relationship between the Medical Staff and the Board. In meeting its obligations, the Board shall maintain effective communication with the Medical Staff through appropriate channels. Each attending physician shall be responsible for the care provided to the patient. Such care shall be delivered in a manner consistent with the standards of the physician's specialty and consistent with these Bylaws, the Medical Staff Bylaws and Rules and Regulations of the Hospital.

**Section 2. Appointments to the Medical Staff.** Appointments, reappointments and delineation of privileges of Medical Staff members shall be made periodically by the Board, upon the recommendation of the Medical Staff, as provided in their Bylaws. A Medical Staff member who is the subject of an adverse recommendation or decision, as defined in the Medical Staff Bylaws, made with respect to reappointment status or delineation of privileges, shall be entitled to the opportunity for a hearing and review of such adverse recommendation or decision as set forth in the Medical Staff Bylaws. By this provision the Board intends to provide members of the Medical Staff with fundamental due process as defined under the Healthcare Quality Improvement Act of 1986 ("*HCQIA*").

### **Section 3. Review**

(a) In those cases in which the governing body does not concur with a medical staff appointment, reappointment, or termination of appointment and the granting or curtailment of clinical privileges, there shall be a review of the recommendation by a combined committee composed of the members of the Executive Committees of the Medical Staff and the Board. The President/CEO of the Corporation shall serve as chairman of the combined committee.

(b) The recommendations of the combined committee as outlined in paragraph (a) above shall be presented to the Board. The Board shall render a final decision.

**Section 4. Quality of Care.**

(a) The Board shall require, after considering the recommendations of the Medical Staff and other health care professional staffs providing patient care services, the conduct of specific review and evaluation activities to assess, preserve, and improve the overall quality and efficiency of patient care in the Hospital. The Board, through the Administrator, shall provide whatever administrative assistance is reasonable and necessary to support and facilitate the implementation of an ongoing review and evaluation of the clinical care provided at the Hospital and implement the recommendations made to improve such care.

(b) The Medical Staff and other health care professionals at the Hospital shall:

1) Review and evaluate patient care (generally on a retrospective basis) through a valid and reliable peer review or quality assurance procedure;

2) Provide for on-going monitoring of patient care practices through the defined functions of the Medical Staff;

3) Delineate clinical privileges for members of the Medical Staff commensurate with each individual's credentials and demonstrated competence;

4) Provide for continuing professional education, shaped by the needs identified through the review and evaluation of activities;

5) Review utilization of the Hospital's resources to provide for the allocation to patients in need of such resources; and

6) Take such other measures as the Board may deem necessary for the improvement of the quality and efficiency of patient care after consultation with the Medical Staff, other professional staff, and the Administrator.

(c) The Board shall require, receive, consider, and act upon the findings and recommendations as outlined in (b). All such findings and recommendations shall be in writing, signed by the persons responsible for conducting the review activities, and supported and accompanied by appropriate documentation upon which the Board can take informed action.

**Section 5. Employed Physicians in Medical-Administration Positions.** The Corporation may from time to time employ physicians to provide general medical care or to serve in an administrative capacity. Any such physician shall be required to sign a contract outlining his/her duties and the compensation. The contract shall make clear that termination of the contract for any reason does not give rise to any due process rights provided under the Medical Staff Bylaws.

**Section 6. Professional Liability Insurance Coverage.** No Medical Staff member shall be authorized to exercise admitting or clinical privileges without having in effect professional



liability insurance coverage issued by an insurance company approved to do business in the State of Illinois.

The insurance coverage amount shall be no less than one million dollars (\$1,000,000) per occurrence, and three million dollars (\$3,000,000) aggregate.

Upon request, but at least annually, each Medical Staff member will provide the Hospital with a copy of his/her certificate of insurance as evidence of compliance.

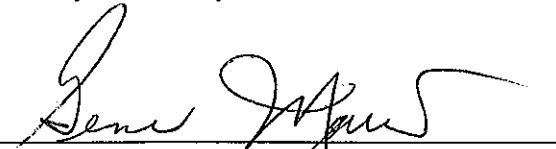
Failure on the part of any Medical Staff member to maintain the requisite amount of professional liability insurance coverage issued by an Illinois licensed insurance company will constitute grounds for immediate and automatic suspension of privileges until such time as the requirements have been met. Suspension under such circumstances shall not give rise to the hearing and appeals protections available under the Medical Staff Bylaws or to corrective action as defined under the HCQIA.

#### **ARTICLE X MODIFICATION OF BYLAWS**

These Bylaws may be altered, amended, or repealed and new Bylaws adopted only upon the written consent or a Supermajority Vote of the Board.

#### **CERTIFICATION OF ADOPTION**

These Amended and Restated Bylaws are adopted by the Board to be effective of as this 1st day of January, 2016.

  
Chair of the Board

  
Secretary of the Corporation

**RESOLUTIONS TO BE ADOPTED REGARDING THE APPROVAL AND  
RATIFICATION OF THE REVISED BYLAWS AND ARTICLES  
FERRELL HOSPITAL COMMUNITY FOUNDATION**

**WHEREAS**, at a meeting duly called and held on December 16, 2015, the Board authorized and approved in concept amendments to the governing documents of the Corporation, including Amended and Restated Articles of Incorporation of the Corporation (the "Amended and Restated Articles") and Amended and Restated Bylaws of the Corporation (the "Amended and Restated Bylaws");

**WHEREAS**, the Amended and Restated Articles and the Amended and Restated Bylaws required some minor corrections after the December 16, 2015 meeting;

**WHEREAS**, the Amended and Restated Articles were not filed with the Illinois Secretary of State until February 25, 2016 (the "Effective Date");

**WHEREAS**, the Board believes that it is in the best interests of the Corporation to ratify and approve the final versions of the Amended and Restated Articles and the Amended and Restated Bylaws, to take effect as of the Effective Date;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board hereby adopts, ratifies and approves the Amended and Restated Articles in the form attached hereto as **Exhibit A**;

**RESOLVED FURTHER**, that the Board hereby adopts, ratifies and approves the Amended and Restated Bylaws in the form attached hereto as **Exhibit B**; and

**RESOLVED FURTHER**, members of the Board and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to give effect to and comply with the terms and intent of these Resolutions. Such actions heretofore taken by Board members and their authorized designees are hereby ratified, confirmed and approved.

**Exhibit A**

**Amended and Restated Articles of Incorporation**

(See attached)

**Exhibit B**

**Amended and Restated Bylaws**

(See attached)